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NASA Procedural Requirements

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 (NASA Only)

Subject: Administration of Property in the Custody of Contractors

Responsible Office: Logistics Management Division[| TOC](#) | [Preface](#) | [Chapter1](#) | [Chapter2](#) | [Chapter3](#) | [Chapter4](#) | [Chapter5](#) | [Chapter6](#) | [Chapter7](#) |
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Chapter 8. Contractor Inventory Disposition

8.1 Property Disposition

8.1.1 Appropriate and prompt disposition of property that is no longer required for contract performance (contractor inventory) is essential to maintain compliance with both Federal law and regulation. The primary purpose of the disposition process is to ensure that property is fully used for public purposes before it is sold or destroyed. As such, FAR Subpart 45.6, the associated property clauses, and the FMR provide guidance on proper disposition priorities and methods. When disposition of property in the custody of contractors is anticipated, the additional costs associated with disposition should be considered.

8.1.2 IPOs shall work with COs, PICOs, and Center PDOs to ensure that disposition is carried out in accordance with regulation and in the most cost-effective way possible.

8.2 Delegation of Offsite Plant Clearance Activities

8.2.1 While NASA remains accountable for onsite property during disposition, NASA PDOs are not authorized to conduct the sale of GP. A PICO has authority to contract for the sale of GP, acting under a Sales CO's warrant. Further, PICOs exercising cognizance over a particular territory should be used to preclude duplication of effort by NASA. COs are required by NFS 1845.503-70 and FAR Part 42 to delegate offsite plant clearance activities.

8.2.2 Contractor Disposition Costs

8.2.2.1 Contractor disposition systems and processes are considered to be part of the contractor's overall management systems and, as such, are normally treated as overhead or as General and Administrative expenses charged indirectly to contracts. In order to avoid duplication of costs or the transfer of these costs to the Government, the contractor should maintain property in its custody at contractor locations in lieu of transporting the property to NASA facilities for disposition.

8.2.2.2 NFS 1845.201-71 prohibits the introduction of any clause that postpones negotiation of costs for plant clearance until after award. IPOs should be aware of any attempt to allocate costs for plant clearance directly to NASA contracts and should advise against doing so.

8.3 Retention of Onsite Plant Clearance Activities

8.3.1 NASA plant clearance activities for contractors with an onsite place of performance shall be retained and carried out by the Center PDO according to the requirements of NPR 4300.1.

8.3.1.1 Property shall not be transported from offsite locations to NASA Centers for disposition unless the Center PDO determines that they have the facilities to accommodate the disposition and the CO determines that the transportation cost to the contract associated with disposition is allocable as a direct charge to the contract that provided the property.

8.3.2 Support Delegation

8.3.2.1 When a portion of the contractor's performance is offsite or when property in the custody of offsite subcontractors is to be dispositioned, the CO is required by NFS 1845.503-70 to issue a delegation to the appropriate plant clearance office.

8.4 Retention of Offsite Plant Clearance by the CO

8.4.1 COs may retain offsite plant clearance in compliance with NFS 1845.503-71; section 1.4.2 of this document and when approved by the Center's Head of Contracting Activity. Retention of plant clearance activities does not reduce or diminish the processes required by NPR 4300.1 and the applicable FMR.

8.4.2 Plant Clearance Plan

8.4.2.1 The IPO, in concert with the Center PDO, shall review the plan submitted by the CO to determine that sufficient procedural detail is included to ensure the performance of all applicable FAR and FMR disposition requirements.

8.4.3 CO Performance of Plant Clearance

8.4.3.1 NFS 1845.503-70 requires that COs perform all retained plant clearance activities for offsite contractors in accordance with FAR and FMR requirements.

8.4.3.2 In accordance with FAR part 45.6, NFS 1845.503 and the FMR, COs may initiate requests for and, after approval, may authorize contractor abandonment or destruction when plant clearance is retained. All requests shall disclose the method used to determine costs, the projected cost of disposition, and the projected sale value or reuse potential for the item.

8.4.3.3 The FMR requires that all abandonment or destruction requests shall be approved by an authority not directly responsible for the property. To facilitate this, the Center PDO shall approve or disapprove appropriately prepared abandonment requests for retained plant clearance situations, prior to CO authorization of further contractor action.

8.4.3.4 All complete retained plant clearance actions shall be accumulated either manually or automatically and documented, as required by applicable FAR, NFS, FMR, NPR 4300.1 and this NPR.

a. In accordance with NFS 1845.503-71, COs who retain plant clearance authority are required to provide annual reports of all completed plant clearance cases to the Center IPO.

b. As 40USC and the FMR require detailed information on disposition actions be accumulated and reported annually for the non-Federal Recipient's Report, the annual report, required by NFS 1845.503-71, shall include all detail needed to prepare these legally required reports.

8.4.4 IPO Oversight of Plant Clearance Activities

8.4.4.1 The IPO shall review all delegated and retained plant clearance activities to ensure compliance with applicable Federal and NASA regulations.

a. The IPO shall utilize the Plant Clearance Automated Reutilization and Screening System (PCARSS) to obtain information on completed or delegated plant clearance actions. b. PCARSS shall serve as the official record of completed plant clearance cases.

8.5 Coordination of Property Administration and Plant Clearance

8.5.1 As the responsible individual at each NASA Center, the IPO shall oversee and coordinate the activities of Center PAs and, to the extent they are involved with the disposition of contractor held property, PDOs.

8.5.2 Where Center PDOs are also warranted PICOs, the IPO shall coordinate activities accordingly.

8.5.3 Reporting Underutilized Property

8.5.3.1 IPOs shall advise all officials on FAR requirements for prompt disposition of GP when it is no longer required for contract performance.

8.5.3.2 As storage of property that is no longer required for performance is not part of the property management activity contemplated under the FAR property clauses, continued retention may be outside of the scope of existing contracts.

a. Property that is no longer required for performance of contracts shall not be retained by contractors at the direction of individuals other than the CO.

b. Except as provided in 7.3, property may not be stored on contracts beyond the period of performance except for

property in the process of disposition.

c. The IPO shall refer to the CO discovery of incidents of storage of property beyond contract performance periods or when no longer required for performance.

8.5.4 Involvement of Program Officials in Retention of Underutilized Inventory

8.5.4.1 To preclude the possibility of exceeding the scope of a contract, program officials who desire contractor retention of underutilized inventory should make that requirement known to the CO for consideration of the award of a storage contract, modification of the existing contract, or other contractual instrument. Comparison of the costs of continued storage and retention should be weighed against the costs for future production of the property.

8.5.5 Identification and Reporting of Deficient Conditions by PICO

8.5.5.1 PICO and PDOs who serve as the disposition authority for onsite contractor inventory shall report any deficiencies in description, quality, or quantity to the IPO for resolution.

8.5.5.2 IPOs shall direct the PA to investigate circumstances of disposition discrepancies in accordance with the terms and conditions of the contract.

8.6 Disposition of NASA Installation Property Used by Contractors

8.6.1 Reporting Through NASA Systems

8.6.1.1 Property utilized by onsite contractors shall be managed according to NASA Procedural Requirements and NASA Policy Directives.

8.6.1.2 To the degree NASA Property Management Systems are available, IAGP shall be recorded in those systems. This includes disposition reporting.

8.6.2 Property Disposal Officer Actions

8.6.2.1 PDOs shall disposition excess property being used by contractors performing on NASA facilities in accordance with NPR 4300.1.

8.6.3 Abandonment or Destruction Authorities

8.6.3.1 Authority to abandon or destroy property being used by contractors performing on NASA facilities shall be granted in accordance with NPR 4300.1.

8.7 Disposition of Property Through Delegated Plant Clearance

8.7.1 Property dispositioning through delegated plant clearance activities shall be conducted according to FAR Part 45, FMR, the contract language, the procedures of the cognizant organization, and NASA delegation instructions.

8.7.2 Contractor Use of Systems of Cognizant Organizations

8.7.2.1 To facilitate prompt reporting and disposition of offsite property, NASA PAs shall require contractors and shall ensure that contractor systems contain the requirement to utilize the property systems of delegated organizations such as PCARSS.

8.7.3 NASA Review of Contractor Inventory Reports and Systems

8.7.3.1 PDOs shall review PCARSS or other available reports to determine if available contractor inventory can be used to satisfy identified NASA requests for property.

8.7.4 Exchange/Sale Authority

8.7.4.1 NASA maintains its authority over property reported as contractor inventory for the period designated in the delegation instructions. During that period, property may be recalled for use or in support of exchange/sale activities. After expiration of the NASA internal screening period, property is considered NASA excess and can no longer be used for exchange/sale activities.

8.7.4.2 PDOs who become aware of contractor inventory that could be processed under NASA's authority to perform exchange/sale of Agency inventory may request removal of those items from PCARSS for internal NASA disposition.

8.7.4.3 When IPOs become aware of the possibility for acquisition of similar items to those reported as no longer required for contract performance, they may advise the PICO to utilize exchange/sale procedures and shall coordinate the retention and use of sales proceeds with the Center accounting activity.

8.8 Reports

8.8.1 Delegated plant clearance activities perform mandatory reporting for compliance with 40 U.S.C. requirements, and these statistics shall not be duplicated.

8.8.2 Disposition activity for contractors performing on NASA Centers and installations shall be collected and compiled in accordance with the requirements of NPR 4300.1 using NASA information systems.

8.8.3 The NASA PICO shall or, when PICO authority is retained in accordance with NFS1845.503-71, the CO will provide completed plant clearance cases to the IPO.

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